

Washington, D.C. – Congressman Sanford D. Bishop, Jr. (GA-02) joined today with his Democratic colleagues and fellow Members of the Blue Dog Coalition to pass H.R. 2920, the Statutory Pay-As-You-Go (“PAYGO”) Act. The bill marks a crucial step in bringing the federal budget under control by following the most basic of budgeting rules: don't spend money you don't have.

“With the Blue Dogs leading the way, the Congress is committed to addressing the country's long-term fiscal challenges,” Bishop, an original co-sponsor of the bill, said. “The Blue Dogs have worked tirelessly over the years to require the federal government to spend within its means. Today our goal is one step closer to becoming a reality. It is time to put an end to the out-of-control deficit spending that has led our country down such a fiscally disastrous path.”

The bill requires Congress to offset all new policies that reduce revenues or expand spending. Discretionary spending is not subject to PAYGO, and exceptions can be made for emergencies. If the net effect of all new tax and spending legislation enacted during a session of Congress increased the deficit, there would be an across-the-board cut in certain mandatory programs.

The PAYGO bill that passed the House today is similar to the statutory PAYGO law that was enacted in the 1990s, which helped reverse huge deficits, create budget surpluses, and produce an economic boom. The previous rules expired in 2002, which contributed to the dramatic turnaround from a projected surplus of \$5.6 trillion to projected deficits of more than \$11 trillion.